

Dockets Nos. 29-88 and 30-88 are tentatively set for September 28 and October 12, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - SEPTEMBER 14, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

- ALLOWABLE: (1) Consideration of the allowable production of gas for October, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.
- (2) Consideration of the allowable production of gas for October, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9477: Application of Murphy Operating Corporation for a unit agreement, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks approval of the Haley Chaveroo San Andres Unit Area comprising 1,840.70 acres, more or less, of State lands underlying all of Sections 33 and 34 of Township 7 South, Range 33 East, and portions of Section 3 of Township 8 South, Range 33 East. This area is located on the Chaves and Roosevelt County lines and approximately 13 miles west of Milnesand, New Mexico.

CASE 9478: Application of Murphy Operating Corporation for a waterflood project, Chaves and Roosevelt Counties, New Mexico. Applicant, in the above-styled cause, seeks authority to institute a waterflood project in its proposed Haley Chaveroo San Andres Unit Area (Division Case No. 9477) located in portions of Townships 7 and 8 South, Range 33 East, by the injection of water into the Chaveroo-San Andres Pool through 23 wells within the Unit Area which is located approximately 13 miles west of Milnesand, New Mexico.

CASE 9479: Application of TXO Production Corp. for compulsory pooling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Atoka formation underlying either the SE/4 SE/4 of Section 13, Township 17 South, Range 37 East, to form a standard 40-acre oil spacing and proration unit for all formations within said vertical limits spaced on statewide 40-acre spacing, or the E/2 SE/4 of said Section 13 to form a standard 80-acre oil spacing and proration unit within the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools, both aforementioned units to be dedicated to a well to be drilled at an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of said Section 13 (see Division Case 9455). Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 3.5 miles north-northeast of Humble City, New Mexico.

CASE 9455: (Continued from August 31, 1988, Examiner Hearing.)

Application of TXO Production Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 13, Township 17 South, Range 37 East, to test all formations from the surface to the base of the Atoka formation, the E/2 SE/4 of said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools or the SE/4 SE/4 of said Section 13 to be dedicated to said well if completed in any other formation and/or pool spaced on 40-acre spacing. Said location is approximately 2.5 miles north-northeast of Humble City, New Mexico.

CASE 9472: (Readvertised)

Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to either the base of the Morrow formation or to a depth of 9300 feet, whichever is deeper, (which includes but is not necessarily limited to the Undesignated Dayton-Wolfcamp Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Atoka-Pennsylvanian Gas Pool) underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 18 South, Range 26 East, forming a standard 316-acre, more or less, gas spacing and proration unit, to be dedicated to a well to be drilled 1980 feet from the North line and 1617 feet from the West line (Unit F) of said Section 31, which is unorthodox for the Atoka-Pennsylvanian Gas Pool Rules. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles northwest by north of Lakewood, New Mexico.

CASE 9480: Application of Santa Fe Energy Operating Partners, L.P., for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Wolfcamp formation underlying the W/2 of Section 11, Township 22 South, Range 27 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing (which only includes the Undesignated East Carlsbad-Wolfcamp Gas Pool at this time). Said unit is to be dedicated to a well to be drilled at a standard gas well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile east of the Carlsbad Municipal Sewage Disposal Plant.

CASE 9433: (Continued from August 31, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9481: Application of Robert N. Enfield for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 1650 feet from the West line (Unit K) of Section 29, Township 7 South, Range 31 East, Lone Wolf-Devonian Gas Pool, the SW/4 of said Section 29 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 11.75 miles S8° W of Kenna, New Mexico.

CASE 9482: Application of Robert N. Enfield for an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 330 feet from the South line and 660 feet from the West line (Unit M) of Section 20, Township 7 South, Range 31 East, Undesignated Lone Wolf-Devonian Gas Pool, the SW/4 of said Section 20 to be dedicated to the well forming a standard 160-acre gas spacing and proration unit for said pool. Said location is approximately 11 miles S9° W from Kenna, New Mexico.

CASE 9483: Application of Amoco Production Company for an unorthodox gas well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location for its South Mattix Unit Well No. 15 located 660 feet from the North and East lines (Unit A) of Section 22, Township 24 South, Range 37 East, Fowler-Upper Silurian Gas Pool, the E/2 of said Section 22, forming a standard 320-acre gas spacing and proration unit for said pool, to be simultaneously dedicated to said well and to its South Mattix Unit Well No. 5 located at a standard gas well location 1980 feet from the North line and 660 feet from the East line (Unit H) of said Section 22. The subject proration unit is located approximately 1.5 miles north of the old El Paso Natural Gas Company Jal Plant No. 2.

CASE 9484: Application of Amerind Oil Company for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Shipp-Strawn Pool underlying the S/2 NE/4 of Section 2, Township 17 South, Range 37 East, to form a standard 80-acre oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in the SE/4 NE/4 (Unit H) of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 4 miles north of Humble City, New Mexico.

CASE 9485: Application of Union Texas Petroleum Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the South and West lines (Unit M) of Section 3, Township 24 South, Range 26 East, South Carlsbad-Morrow (Prorated) Gas Pool, Lots 3 and 4, the S/2 NW/4, and the SW/4 of said Section 3 to be dedicated to said well forming a standard 318.16-acre, more or less, gas spacing and proration unit for said pool. The subject unit is located approximately 3 miles northeast of the junction of U.S. Highway 62/180 and New Mexico State Highway No. 396.

CASE 9462: (Continued from August 17, 1988, Examiner Hearing.)

Application of El Paso Natural Gas Company for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1190 feet from the North line and 690 feet from the East line (Unit B) of Section 13, Township 30 North, Range 6 West, La Jara-Fruitland Pool, Lots 1 and 2 and the W/2 NE/4 of said Section 13 to be dedicated to said well forming a 113.86-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 11 miles east by north of the Navajo Reservoir Dam.

CASE 9463: (Continued from August 17, 1988, Examiner Hearing.)

Application of El Paso Natural Gas Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 113.69-acre spacing and proration unit comprising Lots 1 and 2 and the W/2 NE/4 of Section 12, Township 30 North, Range 6 West, La Jara-Fruitland Pool, to be drilled at a standard gas well location 1850 feet from the North line and 790 feet from the East line (Unit G) of said Section 12. Said location is approximately 11.5 miles east by north of the Navajo Reservoir Dam.

CASE 9464: (Continued from August 17, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for an unorthodox gas well location and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1660 feet from the North line and 1320 feet from the West line (Unit F) of Section 18, Township 30 North, Range 8 West, Undesignated Blanco-Fruitland Pool, Lots 1 and 2 and the E/2 NW/4 of said Section 18 to be dedicated to said well, forming a non-standard 111.66-acre gas spacing and proration unit for said pool. Said location is approximately 6 miles west by north of the Navajo Reservoir Dam.

CASE 9473: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.25-acre, more or less, non-standard gas spacing and proration unit for production from the Undesignated Blanco-Fruitland Pool comprising Lots 6 and 7 and the E/2 SW/4 of Section 6, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1890 feet from the South line and 1043 feet from the West line (Unit K) of said Section 6, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9474: (Continued from August 31, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.55-acre, more or less, non-standard gas spacing and proration unit for Undesignated Blanco-Fruitland Pool production comprising Lots 3 and 4 and the E/2 SW/4 of Section 7, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1595 feet from the South line and 855 feet from the West line (Unit K) of said Section 7, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9359: (Continued from July 6, 1988, Examiner Hearing.)

Application of Dugan Production Corporation for a non-standard oil proration unit, Sandoval County, New Mexico. Applicant, in the above-styled cause, seeks an exception to the Special Rules and Regulations for the Rio Puerco-Mancos Oil Pool as promulgated by Division Order No. R-7471, as amended, to form a 160-acre non-standard oil spacing and proration unit for said pool comprising the NW/4 of Section 25, Township 21 North, Range 4 West, to be dedicated to the existing Husky Federal Well No. 2 located at a standard location 990 feet from the North and West lines (Unit D) of said Section 25. Said well is located approximately 3.25 miles south of Milepost 75 on New Mexico Highway No. 44.

CASE 9458: (Continued from August 31, 1988, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 9486: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating, abolishing, and extending certain pools in Chaves and Eddy Counties, New Mexico.

(a) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the Filaree Dome-Delaware Pool. The discovery well is the Primary Fuels PFI Amoco 19 Federal Well No. 2 located in Unit K of Section 19, Township 22 South, Range 26 East, NMPM. Said pool would comprise:

TOWNSHIP 22 SOUTH, RANGE 26 EAST, NMPM
Section 19: SW/4

(b) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Delaware production and designated as the South Lusk-Delaware Pool. The discovery well is the Siete Oil and Gas Corporation Nugget State Well No. 1 located in Unit A of Section 36, Township 19 South, Range 31 East, NMPM. Said pool would comprise:

TOWNSHIP 19 SOUTH, RANGE 31 EAST, NMPM
Section 36: NE/4

(c) CREATE a new pool in Chaves County, New Mexico, classified as a gas pool for Abo production and designated as the Miller Lake-Abo Gas Pool. The discovery well is the MorOilCo, Inc. O'Brien Well No. 1 located in Unit C of Section 25, Township 7 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 7 SOUTH, RANGE 29 EAST, NMPM
Section 25: NW/4

(d) CREATE a new pool in Eddy County, New Mexico, classified as an oil pool for Wolfcamp production and designated as the Pierce Crossing-Wolfcamp Pool. The discovery well is the Enron Oil and Gas Company Queen Lake 20 Federal Well No. 1 located in Unit E of Section 20, Township 24 South, Range 29 East, NMPM. Said pool would comprise:

TOWNSHIP 24 SOUTH, RANGE 29 EAST, NMPM
Section 20: W/2

(e) CREATE a new pool in Eddy County, New Mexico, classified as a gas pool for Atoka production and designated as the Wooten Ranch-Atoka Gas Pool. The discovery well is the BTA Oil Producers 8710 JV-P Tank Well No. 1 located in Unit P of Section 33, Township 23 South, Range 24 East, NMPM. Said pool would comprise:

TOWNSHIP 23 SOUTH, RANGE 24 EAST, NMPM
Section 33: S/2

(f) ABOLISH the Buffalo Valley-Morrow Gas Pool in Chaves County, New Mexico, and extend the Buffalo Valley-Pennsylvanian Gas Pool to include said abolished acreage.

(g) EXTEND the Atoka Glorieta-Yeso Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 26 EAST, NMPM
Section 25: SE/4 and S/2 SW/4

(h) EXTEND the Brushy Draw-Delaware Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 26 SOUTH, RANGE 29 EAST, NMPM
Section 28: SE/4

(i) EXTEND the Cemetery-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 25 EAST, NMPM
Section 11: W/2
Section 14: N/2
Section 15: E/2

(j) EXTEND the Floor Ranch-Wolfcamp Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 14: E/2
Section 25: N/2
Section 26: N/2

- (k) EXTEND the Floor Ranch-PrePermian Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 9 SOUTH, RANGE 26 EAST, NMPM
Section 23: S/2
Section 25: N/2
Section 26: N/2

- (l) EXTEND the West Four Mile Draw-Morrow Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 26 EAST, NMPM
Section 7: N/2

- (m) EXTEND the South Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 10 SOUTH, RANGE 26 EAST, NMPM
Section 7: SE/4

- (n) EXTEND the West Pecos Slope-Abo Gas Pool in Chaves County, New Mexico, to include therein:

TOWNSHIP 6 SOUTH, RANGE 22 EAST, NMPM
Section 17: SE/4

- (o) EXTEND the Rustler Bluff-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 25 SOUTH, RANGE 29 EAST, NMPM
Section 4: W/2

- (p) EXTEND the Salt Draw-Atoka Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 28 EAST, NMPM
Section 36: E/2

- (q) EXTEND the South Sand Dunes-Lower Pennsylvanian Gas Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 24 SOUTH, RANGE 31 EAST, NMPM
Section 3: S/2

- (r) EXTEND the North Shugart-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 7: SW/4

- (s) EXTEND the Tamano-Bone Spring Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 31 EAST, NMPM
Section 14: W/2

- (t) EXTEND the Turkey Track Seven Rivers-Queen-Grayburg-San Andres Pool in Eddy County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 29 EAST, NMPM
Section 1: SW/4

Docket No. 28-88

DOCKET: COMMISSION HEARING - THURSDAY - SEPTEMBER 15, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9396: (De Novo)

Application of BCO, Inc. for a non-standard oil proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the standard 40-acre spacing requirements for its State "J" Well No. 1 located 540 feet from the North line and 820 feet from the East line (Unit A) of Section 16, Township 23 North, Range 7 West, which is presently completed as an oil well in both the Undesignated Lybrook-Gallup Oil Pool and Graneros formation (DHC-672) and dedicated to the NE/4 NE/4 of said Section 16, by: (a) permitting dedication of an additional 40 acres (NW/4 NE/4) to said unit, thereby forming a non-standard 80-acre oil spacing and proration unit consisting of the N/2 NE/4 of said Section 16; and (b) said order to be made retroactive to the date of first production, October 13, 1987. Said well is located in Lybrook, New Mexico. Upon application of BCO, Inc., this case will be heard De Novo pursuant to the provisions of Rule 1220.

Dockets Nos. 27-88 and 28-88 are tentatively set for September 14 and September 28, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 31, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9452: (Continued from August 17, 1988, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion to consider establishing 33 non-standard gas proration and spacing units for any and all formations and/or pools developed on 160-acre spacing in Sections 6, 7, 18, 19, 30, and 31, all in Township 29 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 30 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 31 North, Range 3 West; and Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, all in Township 32 North, Range 3 West, Rio Arriba County, New Mexico. Said area of interest extends along the boundary of the Jicarilla Apache Indian Reservation and the Carson National Forest from the Colorado/New Mexico Stateline south for 22.5 miles.

CASE 9455: (Continued from August 17, 1988, Examiner Hearing.)

Application of TXO Production Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 13, Township 17 South, Range 37 East, to test all formations from the surface to the base of the Atoka formation, the E/2 SE/4 of said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools or the SE/4 SE/4 of said Section 13 to be dedicated to said well if completed in any other formation and/or pool spaced on 40-acre spacing. Said location is approximately 2.5 miles north-northeast of Humble City, New Mexico.

CASE 9470: Application of TXO Producing Corp. for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter the Amoco Production Company Hooper Well No. 1 located 1980 feet from the South line and 610 feet from the West line (Unit L) of Section 2, Township 17 South, Range 38 East, wherein the applicant proposes to deviate from vertical as to penetrate the Strawn and Atoka formations and to bottom said well at a true vertical depth of approximately 11,600 feet and within a 100-foot radius of an unorthodox subsurface oil well location 1131 feet from the South line and 308 feet from the West line of said Section 2, the SW/4 SW/4 (Unit M) of said Section 2 to be dedicated to the well forming a standard 40-acre oil spacing and proration unit. IN THE ALTERNATIVE, should re-entry into the aforementioned well be found impracticable, the applicant seeks to drill a well at an unorthodox location 1131 feet from the South line and 308 feet from the West line of said Section 2, the SW/4 SW/4 (Unit M) of said Section 2 to be dedicated to said well. The proposed unit is located approximately 6.75 miles south of the old Hobbs Army Air Forces Auxiliary Airfield No. 1.

CASE 9456: (Continued from August 17, 1988, Examiner Hearing.)

Application of Foy and Middlebrook for an unorthodox gas well location, dual completion, and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of produced salt water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,370 feet to 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus in said well, which is at an unorthodox gas well location, the N/2 of said Section 11 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 12.75 miles S 60° W of Caprock, New Mexico.

CASE 9468: (Continued from August 17, 1988, Examiner Hearing.)

Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the North line and 2240 feet from the East line (Unit B) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 30 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately 4.5 miles southeast of Lovington, New Mexico.

CASE 9458: (Continued from August 17, 1988, Examiner Hearing.)

Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered

Examiner Hearing - Wednesday - August 31, 1988

will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3.4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline.

CASE 9353: (Continued from July 20, 1988, Examiner Hearing.)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9433: (Continued from August 17, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9471: Application of Conoco Inc. for downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to commingle production from the Hardy-Blinbry and Hardy Tubbs-Drinkard Pools within the wellbore of its State F-1 Well No. 9, located 330 feet from the South and West lines (Unit U) of Section 1, Township 21 South, Range 36 East. Said well is located approximately 2.25 miles east of Oil Center, New Mexico.

CASE 9472: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp to either the base of the Morrow formation or to a depth of 9300 feet, whichever is deeper, (which includes but is not necessarily limited to the Undesignated Dayton-Wolfcamp Gas Pool, Undesignated Boyd-Morrow Gas Pool, and Undesignated Atoka-Pennsylvanian Gas Pool) underlying Lots 1 through 4 and the E/2 W/2 of Section 31, Township 18 South, Range 26 East, NMPM, Eddy County, New Mexico, forming a standard 316-acre, more or less, gas spacing and proration unit, to be dedicated to a well to be drilled at an unorthodox gas well location 1650 feet from the North line and 1516 feet from the West line (Unit F) of said Section 31. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 6 miles northwest by north of Lakewood, New Mexico.

CASE 9423: (Readvertised)

Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline laterals 2C-18 and 2C-151, which are looped together, thereby allowing 26 South Blanco Pictured Cliffs producing wells in the Lindrith Unit to be commingled on the surface and their combined volumes to be metered at one point. Said metering location is to be in the NW/4 of Section 13, Township 24 North, Range 3 West, being approximately 4 miles west of Lindrith, New Mexico.

CASE 9448: (Continued from August 3, 1988, Examiner Hearing.)

Application of Meridian Oil Inc. for El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1940 feet from the North line and 1325 feet from the East line (Unit G) of Section 15, Township 30 North, Range 7 West, to test the Fruitland formation, the NE/4 of said Section 15 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said formation. This location is approximately 3.375 miles N 73° E of the Navajo Reservoir Dam.

CASE 9473: Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.25-acre, more or less, non-standard gas spacing and proration unit for production from the Undesignated Blanco-Fruitland Pool comprising Lots 6 and 7 and the E/2 SW/4 of Section 6, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1890 feet from the South line and 1043 feet from the West line (Unit K) of said Section 6, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9474: Application of Meridian Oil, Inc. for a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for a 100.55-acre, more or less, non-standard gas spacing and proration unit for Undesignated Blanco-Fruitland Pool production comprising Lots 3 and 4 and the E/2 SW/4 of Section 7, Township 30 North, Range 9 West. Said unit is to be dedicated to a well to be drilled at a standard gas well location 1595 feet from the South line and 855 feet from the West line (Unit K) of said Section 7, which is located approximately 9 miles east of Aztec, New Mexico.

CASE 9475: Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 2, Township 26 North, Range 2 West, to form a 638.28-acre, more or less, standard oil spacing and proration unit for said pool, to be dedicated to a well to be drilled at a standard oil well location in Lot 3 of said Section 2. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 14 miles north of Lindrith, New Mexico.

CASE 9476: Application of Meridian Oil, Inc. for compulsory pooling, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Undesignated Gavilan-Mancos Oil Pool underlying all of Section 3, Township 26 North, Range 2 West, to form a 636.80-acre, more or less, standard oil spacing and proration unit for said pool to be dedicated to a well to be drilled at a standard oil well location in the SW/4 NW/4 (Unit E) of said Section 3. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 14 miles north of Lindrith, New Mexico.

Dockets Nos. 26-88 and 27-88 are tentatively set for August 31 and September 14, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 17, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before David R. Catanach, Examiner, or Michael E. Stogner, Alternate Examiner:

CASE 9452: In the matter of the hearing called by the Oil Conservation Division on its own motion to consider establishing 33 non-standard gas proration and spacing units for any and all formations and/or pools developed on 160-acre spacing in Sections 6, 7, 18, 19, 30, and 31, all in Township 29 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 30 North, Range 3 West; Sections 6, 7, 18, 19, 30, and 31, all in Township 31 North, Range 3 West; and Sections 7, 8, 9, 10, 11, 12, 18, 19, 30, and 31, all in Township 32 North, Range 3 West, Rio Arriba County, New Mexico. Said area of interest extends along the boundary of the Jicarilla Apache Indian Reservation and the Carson National Forest from the Colorado/New Mexico Stateline south for 22.5 miles.

CASE 9453: Application of BHP Petroleum Company, Inc. for a unit agreement, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of the Ervin Ranch Unit Area comprising 668 acres, more or less, of State and Fee lands in portions of Townships 10 and 11 South, Ranges 26 and 27 East. The center of said unit area is located approximately one mile south of Milepost No. 171 on U.S. Highway 380.

CASE 9413: Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ration limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9444: (Continued from August 3, 1988, Examiner Hearing.)

Application of Yates Petroleum Corporation to amend Division Order No. R-8578, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-8578 entered in Case No. 9249 on January 6, 1988, by changing the unorthodox gas well location approved by said Order to 2310 feet from the South line and 750 feet from the West line (Unit L) of Section 8, Township 19 South, Range 27 East. All other provisions in said Order No. R-8578 will remain in full force and effect. Said location is approximately 17 miles southeast of Artesia, New Mexico. In the absence of objection, this case will be taken under advisement.

CASE 9454: Application of TXO Production Corporation for an unorthodox bottomhole oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox bottomhole oil well location for its Penron-Byers Well No. 1, 1013 feet from the South line and 688 feet from the East line of Section 3, Township 17 South, Range 37 East, the S/2 SE/4 of said Section 3 to be dedicated to said well if completed in the Shipp-Strawn Pool or the Undesignated Humble City-Atoka Pool thereby forming a standard 80-acre oil spacing and proration unit for said pools the SE/4 SE/4 of said Section 3 to be dedicated to said well if completed in or any other formation and/or pool which may be developed on 40-acre spacing. Said location is approximately 4.5 miles north by west of Humble City, New Mexico.

CASE 9455: Application of TXO Production Corporation for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1310 feet from the South line and 660 feet from the East line (Unit P) of Section 13, Township 17 South, Range 37 East, to test all formations from the surface to the base of the Atoka formation, the E/2 SE/4 of said Section 13 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for the Undesignated South Humble City-Strawn and Undesignated Humble City-Atoka Pools or the SE/4 SE/4 of said Section 13 to be dedicated to said well if completed in any other formation and/or pool spaced on 40-acre spacing. Said location is approximately 2.5 miles north-northeast of Humble City, New Mexico.

CASE 9456: Application of Foy and Middlebrook for an unorthodox gas well location, dual completion, and salt water disposal, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks authority to dually complete its Culp Ranch Unit Well No. 2 located 330 feet from the North line and 990 feet from the West line (Unit D) of Section 11, Township 12 South, Range 30 East, by disposing of produced salt water down through tubing into the Graham Springs-Devonian Pool in the open hole interval from 10,370 feet to 10,393 feet and producing gas from the Morrow formation up the casing/tubing annulus in said well, which is at an unorthodox gas well location, the N/2 of said Section 11 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit. Said well is located approximately 12.75 miles S 60° W of Caprock, New Mexico.

- CASE 9457: Application of C. W. Trainer for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Morrow formation underlying Lots 1 and 2, the S/2 NE/4, and the SE/4 of Section 6, Township 22 South, Range 34 East, forming a standard 320.60-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing, to be dedicated to the Union Texas Petroleum Corporation Barbara Federal Well No. 1 to be re-entered at a standard location 1980 feet from the South line and 990 feet from the East line (Unit I) of said Section 6. Also to be considered will be the cost of re-entering and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in re-entering said well. Said well is located approximately 7 miles south of Milepost No. 28 on State Highway 176.
- CASE 9458: Application of Mallon Oil Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Bell Canyon, Cherry Canyon, and Brushy Canyon formations (Delaware Mountain Group) underlying the NW/4 SW/4 (Unit L) of Section 27, Township 26 South, Range 29 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 3/4 mile north of where the Pecos River crosses the Texas/New Mexico Stateline.
- CASE 9459: Application of Exxon Company, U.S.A. for an unorthodox oil well location and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 1195 feet from the South line and 2518 feet from the East line (Unit O) of Section 28, Township 17 South, Range 35 East, Vacuum-Glorieta Pool, the SW/4 SE/4 of said Section 28 to be simultaneously dedicated to said well and to its New Mexico "K" State Well No. 21 located at a standard oil well location 330 feet from the South line and 1980 feet from the East line of said Section 28. The subject unit is located approximately 2.75 miles east of Buckeye, New Mexico.
- CASE 9460: Application of Exxon Company, U.S.A. for an unorthodox oil well location, directional drilling, and simultaneous dedication, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its New Mexico "K" State Well No. 34 from a surface location 1286 feet from the South line and 1333 feet from the West line (Unit N) of Section 28, Township 17 South, Range 35 East, wherein the applicant proposes to deviate said well to the Vacuum-Glorieta Pool within a window bounded by lines 1330 feet and 1480 feet from the South line and 1160 feet and 1310 feet from the West line (Unit L) of said Section 28, being an unorthodox oil well location. The NW/4 SW/4 (Unit L) of said Section 28 is to be simultaneously dedicated to said well and to its New Mexico "K" State Well No. 31 located at a standard oil well location 2310 feet from the South line and 330 feet from the West line. The subject unit is located approximately 2.25 miles east of Buckeye, New Mexico.
- CASE 9433: (Continued from August 3, 1988, Examiner Hearing.)
- Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.
- CASE 9461: Application of BHP Petroleum Company, Inc. for non-standard proration units and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1650 feet from the South and East lines of Section 5, Township 11 South, Range 27 East, all of said Section 5 to be dedicated to said well forming a non-standard 348-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing and Lot 2 and the NW/4 SE/4 of said Section 5 to be dedicated to said well (located at an orthodox oil well location) forming a non-standard 47.06-acre oil spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing. Said location is approximately 2 miles south of Milepost No. 171 on U.S. Highway 380.
- CASE 9462: Application of El Paso Natural Gas Company for an unorthodox gas well location and a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1190 feet from the North line and 690 feet from the East line (Unit B) of Section 13, Township 30 North, Range 6 West, La Jara-Fruitland Pool, Lots 1 and 2 and the W/2 NE/4 of said Section 13 to be dedicated to said well forming a 113.86-acre non-standard gas spacing and proration unit for said pool. Said location is approximately 11 miles east by north of Navajo Reservoir Dam.

- CASE 9463: Application of El Paso Natural Gas Company for a non-standard gas proration unit, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval for a non-standard 113.69-acre gas spacing and proration unit comprising Lots 1 and 2 and the W/2 NE/4 of Section 12, Township 30 North, Range 6 West, La Jara-Fruitland Pool, to be dedicated to a well to be drilled at a standard gas well location 1850 feet from the North line and 790 feet from the East line (Unit G) of said Section 12. Said location is approximately 11.5 miles east by north of the Navajo Reservoir Dam.
- CASE 9464: Application of Meridian Oil, Inc. for an unorthodox gas well location and a non-standard gas proration unit, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1660 feet from the North line and 1320 feet from the West line (Unit F) of Section 18, Township 30 North, Range 8 West, Undesignated Blanco-Fruitland Pool, Lots 1 and 2 and the E/2 NW/4 of said Section 18 to be dedicated to said well, forming a non-standard 111.66-acre gas spacing and proration unit for said pool. Said location is approximately 6 miles west by north of the Navajo Reservoir Dam.
- CASE 9465: Application of Meridian Oil Inc. for a horizontal drain hole pilot project, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its Corbin State Well No. 1, surface location 1980 feet from the North and West lines of Section 16, Township 18 South, Range 33 East, Undesignated South Corbin-Bone Spring Pool, and plug back to approximately 11,320 feet and thence to drill a short radius curve and thence to drill horizontally in a westerly direction approximately 660 feet. The terminus of the bottomhole location will be unorthodox no closer than 1380 feet from the West line of said Section 16. The proposed horizontal section will be located in said pool at a depth of approximately 11,320 feet and will be totally contained within a standard 80-acre oil proration unit being the S/2 NW/4 of said Section 16. Said location is approximately 8.5 miles southeast of Maljamar, New Mexico.
- CASE 9439: (Continued from July 20, 1988, Examiner Hearing.)
- Application of Union Pacific Resources Company for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Vada-Devonian Pool to include the NW/4 of Section 35, Township 10 South, Range 33 East, and for the promulgation of temporary special rules and regulations for said pool including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule 111 allowing for directional drilling or well deviations of more than 5 degrees in any 500-foot interval. Said pool area is located approximately 9.75 miles N 82° E of Caprock, New Mexico.
- CASE 9440: (Continued from July 20, 1988, Examiner Hearing.)
- Application of Union Pacific Resources Company for directional drilling and an unorthodox (subsurface) oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its State 26 Well No. 2, surface location 1910 feet from the South line and 1980 feet from the East line (Unit J), to 9,900 feet and then commence drilling directionally to penetrate the top of the Undesignated Vada-Devonian Pool at a true vertical depth of approximately 12,900 feet and within a 150-foot radius of an unorthodox subsurface location 1910 feet from the South line and 2580 feet from the East line (Unit J) of Section 26, Township 10 South, Range 33 East, with the N/2 SE/4 of said section being dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 10.25 miles N 80° E of Caprock, New Mexico.
- CASE 9436: (Readvertised)
- Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1340 feet from the South line and 660 feet from the West line (Unit L) of Section 8, Township 19 South, Range 26 East, Undesignated West Four Mile Draw-Morrow Gas Pool, the S/2 of said Section 8 to be dedicated to said well. This location is approximately 3.5 miles northwest of Lakewood, New Mexico.
- CASE 9466: Application of Nearburg Producing Company for a non-standard gas proration unit and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 990 feet from the North and East lines (Unit A) of Section 12, Township 19 South, Range 25 East, to test the Morrow formation, Undesignated Boyd-Morrow Gas Pool, the N/2 of said Section 12 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for said formation. In the alternative, applicant seeks approval for a 160-acre non-standard gas spacing and proration unit comprising the NE/4 of said Section 12 to be dedicated to said well. Said location is approximately 3.75 miles west of Lakewood, New Mexico.
- CASE 9467: Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the North and East lines (Unit A) of Section 25, Township 16 South, Range 36 East, to test the Strawn formation, Undesignated Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 25 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately four miles southeast of Lovington, New Mexico.

CASE 9468: Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the North line and 2240 feet from the East line (Unit B) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Northeast Lovington-Pennsylvanian Pool, the N/2 NE/4 of said Section 30 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately 4.5 miles southeast of Lovington, New Mexico.

CASE 9469: Application of Nearburg Producing Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 400 feet from the North line and 2560 feet from the West line (Unit C) of Section 30, Township 16 South, Range 37 East, to test the Strawn formation, Undesignated Northeast Lovington-Pennsylvanian Pool, the E/2 NW/4 of said Section 30 to be dedicated to said well forming a standard 80-acre oil spacing and proration unit for said formation. Said location is approximately 4.5 miles southeast of Lovington, New Mexico.

CASE 9446: (Continued from August 3, 1988, Examiner Hearing.)

Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.75 miles south of Milepost No. 138.2 on U.S. Highway 82.

CASE 9447: (Continued from August 3, 1988, Examiner Hearing.)

Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SE/4 SE/4 (Unit P) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 2 miles south of Milepost No. 138.5 on U.S. Highway 82.

Docket No. 25-88

DOCKET: COMMISSION HEARING - THURSDAY - AUGUST 18, 1988

9:00 A.M. - MORGAN HALL, STATE LAND OFFICE BUILDING,
SANTA FE, NEW MEXICO

CASE 9404: (De Novo)

Application of Nearburg Producing Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 330 feet from the North and West lines (Unit D) of Section 30, Township 16 South, Range 37 East, Undesignated Northeast Lovington-Pennsylvanian Pool, said well to be dedicated to Lots 1 and 2 of said Section 30 thereby forming a 100.49-acre non-standard oil proration and spacing unit for said pool. Said location is approximately 4.3 miles southeast of Lovington, New Mexico. Upon application of Nearburg Producing Company, this case will be heard De Novo pursuant to the provisions of Rule 1220.

SUPPLEMENT TO DOCKET NO. 24-88

CASE 9451: (Continued from August 3, 1988)

Application of Jerome P. McHugh & Associates for amendment to Division Order No. R-6369-B and extension of the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the restriction contained in Order No. R-6469-B which limits the special rules and regulations of the West Puerto Chiquito-Mancos Oil Pool to the limits of the pool boundary, and for the expansion of said pool to include Section 2, Township 23 North, Range 1 West. Said pool consists of a vast area just north of Lindrith, New Mexico.

Dockets Nos. 24-88 and 25-88 are tentatively set for August 17 and August 31, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - AUGUST 3, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING
SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

ALLOWABLE: (1) Consideration of the allowable production of gas for September, 1988, from fourteen prorated gas pools in Lea, Eddy, and Chaves Counties, New Mexico.

(2) Consideration of the allowable production of gas for September, 1988, from four prorated gas pools in San Juan, Rio Arriba, and Sandoval Counties, New Mexico.

CASE 9444: Application of Yates Petroleum Corporation to amend Division Order No. R-8578, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-8578 entered in Case No. 9249 on January 6, 1988, by changing the unorthodox gas well location approved by said Order to 2310 feet from the South line and 750 feet from the West line (Unit L) of Section 8, Township 19 South, Range 27 East. All other provisions in said Order No. R-8578 will remain in full force and effect. Said location is approximately 17 miles southeast of Artesia, New Mexico. In the absence of objection, this case will be taken under advisement.

CASE 9445: Application of Maxus Exploration Company for a non-standard oil proration unit and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 660 feet from the North line and 2160 feet from the West line of Irregular Section 6, Township 11 South, Range 37 East, Undesignated Dickinson-Devonian Pool, Lot 3 and the NE/ SW/4 of said Section 6 to be dedicated to said well forming a non-standard 57.1-acre oil spacing and proration unit. Said location is approximately 10.5 miles north-northeast of Tatum, New Mexico.

CASE 9433: (Continued from July 20, 1988, Examiner Hearing.)

Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9424: (Continued from July 20, 1988, Examiner Hearing.)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blaine, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW/4 SE/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

CASE 9446: Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the NW/4 SE/4 (Unit J) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 1.75 miles south of Milepost No. 138.2 on U.S. Highway 82.

CASE 9447: Application of Arco Oil and Gas Company for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SE/4 SE/4 (Unit P) of Section 32, Township 17 South, Range 31 East, Undesignated North Shugart-Bone Spring Pool, to form a standard statewide 40-acre oil spacing and proration unit to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of the applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 2 miles south of Milepost No. 138.5 on U.S. Highway 82.

Examiner Hearing - Wednesday - August 3, 1988

CASE 9448: Application of Meridian Oil Inc. for El Paso Natural Gas Company for an unorthodox gas well location, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 1940 feet from the North line and 1325 feet from the East line (Unit G) of Section 15, Township 30 North, Range 7 West, to test the Fruitland formation, the NE/4 of said Section 15 to be dedicated to said well forming a standard 160-acre gas spacing and proration unit for said formation. This location is approximately 3.375 miles N 73° E of the Navajo Reservoir Dam.

CASE 9422: (Continued from July 6, 1988, Examiner Hearing.)

Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline lateral 2C-90, thereby allowing 17 Ballard-Pictured Cliffs producing wells in the Canyon Large Unit to be commingled on the surface and their combined volumes to be metered at one central point. Said metering location is to be in the SE/4 of Section 4, Township 25 North, Range 7 West, being approximately 6 miles northeast by north of Nageezi, New Mexico.

CASE 9423: (Continued from July 6, 1988, Examiner Hearing.)

Application of Meridian Oil Company for central-point gas measurement, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks approval to install a central meter run at the end of El Paso Natural Gas Company's pipeline laterals 2C-18 and 2C-151, which are looped together, thereby allowing 26 Blanco Pictured Cliffs producing wells in the Lindrith Unit to be commingled on the surface and their combined volumes to be metered at one point. Said metering location to be in the NW/4 of Section 13, Township 24 North, Range 3 West, being approximately 4 miles west of Lindrith, New Mexico.

CASE 9441: (Continued from July 20, 1988, Examiner Hearing.)

Application of Meridian Oil, Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.

CASE 9449: Application of Pennzoil Exploration & Production Company for an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox oil well location 2310 feet from the South line and 810 feet from the West line of Section 1, Township 17 South, Range 37 East, Undesignated Shipp-Strawn Pool, the W/2 SW/4 of said Section 1 to be dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 4.5 miles north by east of Humble City, New Mexico.

CASE 9450: Application of Pennzoil Exploration & Production Company for directional drilling and an unorthodox oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks authority to re-enter its "dry and abandoned" State "2" Well No. 1 located 1980 feet from the South line and 660 feet from the West line (Unit L) of Section 2, Township 17 South, Range 37 East, wherein the applicant proposes to deviate from vertical as to penetrate the top of the Undesignated Shipp-Strawn Pool at a true vertical depth of approximately 11,750 feet and within a 75-foot radius of an unorthodox subsurface oil well location 1600 feet from the South line and 330 feet from the West line of said Section 2, the W/2 SW/4 of said Section 2 to be dedicated to the well forming a standard 80-acre oil spacing and proration unit for said pool. Said well is located approximately 4.5 miles north by west of Humble City, New Mexico.

CASE 9451: Application of Jerome P. McHugh & Associates for amendment to Division Order No. R-6369-B and extension of the horizontal limits of the West Puerto Chiquito-Mancos Oil Pool, Rio Arriba County, New Mexico. Applicant, in the above-styled cause, seeks an order modifying the restriction contained in Order No. R-6469-B which limits the special rules and regulations of the West Puerto Chiquito-Mancos Oil Pool to the limits of the pool boundary, and for the expansion of said pool to include Section 2, Township 23 North, Range 1 West. Said pool consists of a vast area just north of Lindrith, New Mexico.

CASE 9443: (Continued from July 20, 1988, Examiner Hearing.)

In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Baca-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Newsom "A" Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM

Section 3: SW/4 SW/4
Section 4: NW/4 SE/4 and S/2 S/2
Section 5: SE/4 SE/4
Section 9: NE/4 and E/2 NW/4
Section 10: W/2 NW/4 and NW/4 SW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Cedro-Gallup Pool. The discovery well is the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 4: SW/4
Section 9: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Potter-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation State 16 Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM

Section 16: SW/4 NE/4, S/2 NW/4
W/2 SE/4, and SW/4

(d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Willow-Gallup Pool. The discovery well is the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM

Section 10: E/2
Section 11: All
Section 12: W/2
Section 14: All
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: N/2
Section 28: NE/4

(e) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM

Section 4: NW/4
Section 5: N/2

(f) EXTEND the Big Gap-Organ Rock Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM

Section 29: S/2

(g) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM

Section 31: E/2 SW/4

- (h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SE/4
Section 36: N/2 NE/4

- (i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 9: NE/4

- (j) EXTEND the Blanco-Mesaverde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 17: E/2

- (k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 20: SE/4
Section 29: NE/4

- (l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM
Section 7: All
Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM
Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM
Section 10: SE/4
Section 11: SW/4
Section 12: S/2
Section 13: All
Section 14: W/2
Section 15: E/2
Section 24: All

- (m) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 36: NE/4

- (n) EXTEND the Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM
Section 23: NW/4

- (o) EXTEND the Laguna Seca-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 19: SE/4
Section 20: S/2
Section 21: S/2
Section 22: SW/4
Section 27: W/2
Sections 28 and 29: All
Section 30: NE/4
Section 32: NE/4
Section 33: NW/4

- (p) EXTEND the Largo Gallup Gas Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM
Section 2: W/2

Examiner Hearing - Wednesday - August 3, 1988

- (q) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM
Section 35: SE/4 SW/4

- (r) EXTEND the Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 23: SW/4

Dockets Nos. 23-88 and 24-88 are tentatively set for August 3 and 17, 1988. Applications for hearing must be filed at least 22 days in advance of hearing date.

DOCKET: EXAMINER HEARING - WEDNESDAY - JULY 20, 1988

8:15 A.M. - OIL CONSERVATION DIVISION CONFERENCE ROOM,
STATE LAND OFFICE BUILDING, SANTA FE, NEW MEXICO

The following cases will be heard before Michael E. Stogner, Examiner, or David R. Catanach, Alternate Examiner:

CASE 9420: (Continued from July 6, 1988, Examiner Hearing)

In the matter of the hearing called by the Oil Conservation Division (OCD) on its own motion for pool creation and Special Pool Rules, San Juan, Rio Arriba, McKinley and Sandoval Counties, New Mexico. The OCD on the recommendation of the Fruitland Coalbed Methane Committee, seeks the creation of a new pool for the production of gas from the coalbed seams within the Fruitland formation underlying the following described area:

Township 19 North, Ranges 1 West through 6 West;
Township 20 North, Ranges 1 West through 8 West;
Township 21 North, Ranges 1 West through 9 West;
Township 22 North, Ranges 1 West through 11 West;
Township 23 North, Ranges 1 West through 14 West;
Township 24 North, Ranges 1 East through 16 West;
Township 25 North, Ranges 1 East through 16 West;
Township 26 North, Ranges 1 East through 16 West;
Township 27 North, Ranges 1 West through 16 West;
Township 28 North, Ranges 1 West through 16 West;
Township 29 North, Ranges 1 West through 15 West;
Township 30 North, Ranges 1 West through 15 West;
Township 31 North, Ranges 1 West through 15 West; and
Township 32 North, Ranges 1 West through 13 West.

Also to be considered is the promulgation of special rules, regulations and operating procedures for said pool including, but not limited to, provisions for 320-acre spacing units, designated well locations, limited well density, horizontal wellbore and deviated drilling procedures, venting and flaring rules, and gas well testing requirements.

CASE 9431: Application of Yates Petroleum Corporation for directional drilling and unorthodox gas well locations, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks authority to directionally drill its Eland "AFC" Federal Com. Well No. 1 from a surface location 330 feet from the South line and 1650 feet from the West line (Unit N) of Section 12, Township 20 South, Range 29 East, wherein the applicant proposes to deviate said well to within 100 feet of the following targeted locations (both of which are unorthodox):

1. In the Undesignated East Burton Flat-Strawn Gas Pool - 660 feet from the North and West lines of said Section 13; and,
2. In the Undesignated Getty-Morrow Gas Pool - 991 feet from the North line and 329 feet from the West line of said Section 13.

Both zones are to be dedicated to the W/2 of said Section 13 forming a standard 320-acre gas spacing and proration unit. Said location is approximately 3.75 miles north-northwest of the junction of U.S. Highway 62/180 and State Highway 31.

CASE 9413: (Continued from July 6, 1988, Examiner Hearing)

Application of Yates Petroleum Company for special pool rules, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks the promulgation of temporary special pool rules for the Avalon-Delaware Pool located in portions of Township 20 South, Ranges 27 and 28 East, including a provision to increase the gas-oil ratio limitation to 5,000 cubic feet of gas per barrel of oil. Said area is located approximately 9 miles north of Carlsbad, New Mexico.

CASE 9353: (Continued from June 22, 1988, Examiner Hearing)

Application of Read & Stevens, Inc. for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 660 feet from the North and East lines (Unit A) of Section 19, Township 19 South, Range 29 East, Undesignated Turkey Track-Morrow Gas Pool or Undesignated West Parkway-Morrow Gas Pool, the E/2 of said Section 19 to be dedicated to said well forming a standard 320-acre gas spacing and proration unit for either pool. Said location is approximately 7.5 miles southeast by east of the old Illinois Camp.

CASE 9389: (Continued from July 6, 1988, Examiner Hearing)

Application of Robert N. Enfield for compulsory pooling and an unorthodox gas well location, Chaves County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Devonian formation underlying the NW/4 of Section 29, Township 7 South, Range 31 East, to form a standard 160-acre gas spacing and proration unit for any and all formations and/or pools developed on 160-acre spacing within said vertical limits or the W/2 of said Section 29 to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, both aforementioned units to be dedicated to its E. McCombs Well No. 1 drilled at an unorthodox gas well location (for a 320-acre dedication) 1650 feet from the North line and 990 feet from the West line (Unit E) of said Section 29. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said units are located approximately 11 miles south by west of Kenna, New Mexico.

CASE 9432: Application of Leonard Resource Corporation for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval of an unorthodox gas well location 510 feet from the North line and 660 feet from the East line (Unit A) of Section 24, Township 26 South, Range 24 East, to test the Pennsylvanian formation, the N/2 of said Section 24 to be dedicated to the well. Said location is approximately 2.25 miles north of Mile Corner 81 located on the Texas/New Mexico stateline.

CASE 9433: Application of Santa Fe Energy Operating Partners, L. P. for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Bone Spring formation underlying the SW/4 SE/4 (Unit O) of Section 14, Township 18 South, Range 32 East, forming a standard statewide 40-acre oil spacing and proration unit, to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 8 miles south by east of Maljamar, New Mexico.

CASE 9434: Application of Inexco Oil Company, a wholly owned subsidiary of The Louisiana Land and Exploration Company, for compulsory pooling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Shipp-Strawn Pool underlying the W/2 SE/4 of Section 35, Township 16 South, Range 37 East, to form a standard 80-acre spacing and proration unit for any and all formations and/or pools developed on 80-acre spacing within said vertical limits or the SW/4 SE/4 of said Section 35 to form a standard 40-acre spacing and proration unit for any and all formations and/or pools developed on 40-acre spacing within said vertical limits, both aforementioned units to be dedicated to a well to be drilled at a standard location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said well is located approximately 8 miles southwest of the old Hobbs Army Air Corps Auxiliary Airfield No. 1.

CASE 8822: (Reopened) (Continued from June 22, 1988, Examiner Hearing)

In the matter of Case No. 8822 being reopened pursuant to the provisions of Division Order No. R-8188-A, which promulgated temporary special rules and regulations for the Northeast Ojito Gallup-Dakota Oil Pool in Rio Arriba County, New Mexico, including a provision for 160-acre spacing units. Operators in the subject pool may appear and show cause why the Northeast Ojito Gallup-Dakota Oil Pool should not be developed on standard statewide 40-acre proration units.

CASE 9415: (Continued from July 6, 1988, Examiner Hearing)

Application of Manzano Oil Corporation for compulsory pooling, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to the base of the Undesignated Santo Nino-Bone Spring Pool underlying either the SW/4 SE/4 of Section 30, Township 18 South, Range 30 East, to form a standard statewide 40-acre oil spacing and proration unit within said vertical limits or the W/2 SE/4 of said Section 30 to form a standard 80-acre oil spacing and proration unit for any and all formations and/or pools within said vertical limits developed on 80-acre spacing, both aforementioned units to be dedicated to a well to be drilled at a standard oil well location thereon. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said units are located 7.5 miles south by west of Loco Hills, New Mexico.

CASE 9424: (Continued from July 6, 1988, Examiner Hearing)

Application of Horizon Oil and Gas Company for a non-standard oil proration unit and downhole commingling, Lea County, New Mexico. Applicant, in the above-styled cause, seeks an approval to commingle production from the Monument-Paddock, Monument-Blaine, and Undesignated Monument-Tubb Pools within the wellbore of its Anderson Well No. 1 located at a standard oil well location for said zones 330 feet from the South line and 1980 feet from the East line (Unit O) of Section 8, Township 20 South, Range 37 East. Applicant further seeks approval for a 40-acre non-standard oil spacing and proration unit for the Monument-Tubb Pool production for said well comprising the SW 1/4 SE 1/4 of said Section 8. Said well is located approximately three miles south of Monument, New Mexico.

CASE 9435: Application of Union Oil Company of California d/b/a Unocal for a non-standard gas proration unit and unorthodox gas well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location in the Undesignated House Yates-Seven Rivers Gas Pool for a well to be drilled in Lot 1 at a point 600 feet from the North line of Irregular Section 5, Township 20 South, Range 39 East, and 330 feet West of the western boundary of Lot 1 in said Section 5, said well to be dedicated to Lots 1 and 4 of said Section 5 thereby forming a 58.72-acre non-standard gas proration and spacing unit for said pool. Said location is approximately 3.75 miles S 73° E of Nadine, New Mexico.

CASE 9402: (Continued from July 6, 1988, Examiner Hearing)

Application of Union Texas Petroleum Corporation for an infill well finding, San Juan County, New Mexico. Applicant, in the above-styled cause, seeks an order, pursuant to FERC Rule 271.305 of the Natural Gas Policy Act of 1978 and to Rule 16.A.5 of Division Order No. R-5878-B, as amended, showing that its State Oil Well No. 1-A located 1028 feet from the North line and 1120 feet from the East line (Unit A) of Section 16, Township 28 North, Range 9 West, Basin-Dakota Pool, is needed to effectively and efficiently drain the existing 320-acre gas spacing and proration unit comprising the E/2 of said Section 16 which could not otherwise be produced by either the existing well or any other such well which has produced from the Basin-Dakota Pool within said unit. This unit is located approximately 4.75 miles southeast by south of Blanco, New Mexico.

CASE 9427: (Readvertised)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its Parino Well No. 2 to be drilled 1500 feet from the South line and 1200 feet from the West line (Unit L) of Section 23, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 23 to be simultaneously dedicated to said well and to the existing Parino Well No. 1 located at a previously approved unorthodox gas well location (R-7381) 1980 feet from the South and East lines (Unit I) of said Section 23. Said unit is located approximately 4 miles northwest by north of Seven Rivers, New Mexico.

CASE 9436: Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 1340 feet from the South line and 660 feet from the West line (Unit L) of Section 8, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the S/2 of said Section 8 to be dedicated to said well. This location is approximately 8.5 miles west-northwest of Lakewood, New Mexico.

CASE 9425: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location and simultaneous dedication, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location for its B & B Well No. 2 to be drilled 660 feet from the South and East lines (Unit P) of Section 22, Township 19 South, Range 25 East, Boyd-Morrow Gas Pool, the E/2 of said Section 22 to be simultaneously dedicated to said well and to the existing B & B Well No. 1 located at a standard gas well location 1980 feet from the North and East lines (Unit G) of said Section 22. Said unit is located approximately 4.5 miles northwest by north of Seven Rivers, New Mexico.

CASE 9426: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests in the Pennsylvanian formations underlying the N/2 of Section 26, Township 19 South, Range 25 East, to form a standard 320-acre gas spacing and proration unit to be dedicated to a well to be drilled at an unorthodox gas well location 990 feet from the North and West lines (Unit D) in said Section 26. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said unit is located approximately 5 miles west of Lakewood, New Mexico.

CASE 9407: (Continued from July 6, 1988, Examiner Hearing)

Application of Nearburg Producing Company for an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks approval for an unorthodox gas well location 2310 feet from the South line and 960 feet from the East line (Unit I) of Section 11, Township 22 South, Range 24 East, Undesignated McKittrick Hills-Morrow Gas Pool, the S/2 of said Section 11 to be dedicated to said well. This location is approximately 14.5 miles west of Carlsbad, New Mexico.

CASE 9037: (Reopened)

In the matter of Case 9037 being reopened pursuant to the provisions of Division Order No. R-8364, which promulgated temporary special rules and regulations for the North Air Strip-Bone Spring Pool in portions of Sections 14 and 15, Township 18 South, Range 34 East, Lea County, including a provision for 80-acre spacing units. Operators in the subject pool may appear and show cause why the North Air Strip-Bone Spring Pool should not be developed on standard statewide 40-acre spacing units. Said pool area is located approximately 1.5 miles north of the old Hobbs Army Air Corps Auxiliary Airfield No. 4.

CASE 9437: Application of W. A. Moncrief, Jr. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the surface to either the base of the Morrow formation or to a depth of 11,200 feet, whichever is deeper, underlying the N/2 of Section 17, Township 24 South, Range 25 East, forming a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, to be dedicated to a well to be drilled at an unorthodox gas well location 360 feet from the North line and 1980 feet from the West line (Unit L) of said Section 17. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 4.5 miles northwest of Whites City, New Mexico.

CASE 9438: Application of Terra Resources, Inc. for compulsory pooling and an unorthodox gas well location, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an order pooling all mineral interests from the top of the Wolfcamp formation to the base of the Morrow formation or to a depth of 11,500 feet, whichever is deeper, underlying the E/2 of Section 8, Township 21 South, Range 27 East, to form a standard 320-acre gas spacing and proration unit for any and all formations and/or pools developed on 320-acre spacing within said vertical limits, to be dedicated to a well to be drilled at an unorthodox gas well location 660 feet from the South and East lines (Unit P) of said Section 8. Also to be considered will be the cost of drilling and completing said well and the allocation of the cost thereof as well as actual operating costs and charges for supervision, designation of applicant as operator of the well and a charge for risk involved in drilling said well. Said location is approximately 5 miles north by east of Carlsbad, New Mexico.

CASE 9439: Application of Union Pacific Resources Company for pool extension and special pool rules, Lea County, New Mexico. Applicant, in the above-styled cause, seeks to extend the horizontal limits of the Vada-Devonian Pool to include the NW/4 of Section 35, Township 10 South, Range 33 East, and for the promulgation of temporary special rules and regulations for said pool including a provision for 80-acre spacing and proration units, designated well locations, and a poolwide exception to Division Rule 111 allowing for directional drilling or well deviations of more than 5 degrees in any 500-foot interval. Said pool area is located approximately 9.75 miles N 82° E of Caprock, New Mexico.

CASE 9440: Application of Union Pacific Resources Company for directional drilling and an unorthodox (subsurface) oil well location, Lea County, New Mexico. Applicant, in the above-styled cause, seeks approval to plug back its State 26 Well No. 2, surface location 1910 feet from the South line and 1980 feet from the East line (Unit J), to 9,900 feet and then commence drilling directionally to penetrate the top of the Undesignated Vada-Devonian Pool at a true vertical depth of approximately 12,900 feet and within a 150-foot radius of an unorthodox subsurface location 1910 feet from the South line and 2580 feet from the East line (Unit J) of Section 26, Township 10 South, Range 33 East, with the N/2 SE/4 of said section being dedicated to said well, forming a standard 80-acre oil spacing and proration unit for said pool. Said location is approximately 10.25 miles N 80° E of Caprock, New Mexico.

CASE 9441: Application of Meridian Oil Inc. to amend Division Order No. R-4208, Eddy County, New Mexico. Applicant, in the above-styled cause, seeks an amendment to Division Order No. R-4208 to include the Atoka formation for production from its Leonard State "Com" Well No. 1 located 1980 feet from the North line and 660 feet from the West line (Unit E) in the previously approved non-standard 320-acre gas proration and spacing unit for Grayburg-Morrow Gas Pool production and consisting of the NW/4, NW/4 NE/4, N/2 SW/4, and SW/4 SW/4 of Section 22, Township 17 South, Range 29 East. Said well is located approximately 5 miles west of Loco Hills, New Mexico.

CASE 9442: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Lea County, New Mexico.

(a) CREATE a new pool in Lea County, New Mexico, classified as an oil pool for San Andres production and designated as the East Flying M-San Andres Pool. The discovery well is the Dwight A. Tipton Robinson 14 Well No. 1 located in Unit P of Section 14, Township 9 South, Range 33 East, NMPM. Said pool would comprise:

TOWNSHIP 9 SOUTH, RANGE 33 EAST, NMPM
Section 14: SE/4

(b) EXTEND the North Anderson Ranch-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 15 SOUTH, RANGE 32 EAST, NMPM
Section 21: E/2

(c) EXTEND the South Corbin-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 18 SOUTH, RANGE 32 EAST, NMPM
Section 13: S/2

TOWNSHIP 18 SOUTH, RANGE 33 EAST, NMPM
Section 16: W/2
Section 18: SW/4

(d) EXTEND the Grayburg Jackson Seven Rivers-Queen-Grayburg-San Andres Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 32 EAST, NMPM
Section 30: NW/4

(e) EXTEND the North Hume-Wolfcamp Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 16 SOUTH, RANGE 34 EAST, NMPM
Section 5: Lots 9, 10, 15, 16, and
SE/4

(f) EXTEND the West Lusk-Delaware Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 32 EAST, NMPM
Section 29: NW/4

(g) EXTEND the Scharb-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 19 SOUTH, RANGE 34 EAST, NMPM
Section 3: E/2

(h) EXTEND the Teas-Bone Spring Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 20 SOUTH, RANGE 33 EAST, NMPM
Section 2: S/2 and NE/4
Section 11: W/2

(i) EXTEND the Wantz-Abo Pool in Lea County, New Mexico, to include therein:

TOWNSHIP 21 SOUTH, RANGE 37 EAST, NMPM
Section 1: Lots 1, 2, 7, and 8

CASE 9443: In the matter of the hearing called by the Oil Conservation Division on its own motion for an order creating and extending certain pools in Rio Arriba, Sandoval, and San Juan Counties, New Mexico.

(a) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Baca-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Newsom "A" Well No. 20 located in Unit J of Section 4, Township 26 North, Range 8 West, NMPM. Said pool would comprise:

TOWNSHIP 26 NORTH, RANGE 8 WEST, NMPM
Section 3: SW/4 SW/4
Section 4: NW/4 SE/4 and S/2 S/2
Section 5: SE/4 SE/4
Section 9: NE/4 and E/2 NW/4
Section 10: W/2 NW/4 and NW/4 SW/4

(b) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Cedro-Gallup Pool. The discovery well is the Northwest Pipeline Company Rosa Unit Well No. 109 located in Unit M of Section 9, Township 31 North, Range 5 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM
Section 4: SW/4
Section 9: W/2

(c) CREATE a new pool in San Juan County, New Mexico, classified as an oil pool for Gallup production and designated as the Potter-Gallup Oil Pool. The discovery well is the Union Texas Petroleum Corporation Rosa Unit Well No. 1 located in Unit E of Section 16, Township 28 North, Range 9 West, NMPM. Said pool would comprise:

TOWNSHIP 28 NORTH, RANGE 9 WEST, NMPM
Section 16: SW/4 NE/4, S/2 NW/4,
W/2 SE/4, and SW/4

(d) CREATE a new pool in Rio Arriba County, New Mexico, classified as a gas pool for Gallup production and designated as the Willow-Gallup Pool. The discovery well is the Northwest Pipeline Corporation Rosa Unit Well No. 87 located in Unit H of Section 28, Township 31 North, Range 4 West, NMPM. Said pool would comprise:

TOWNSHIP 31 NORTH, RANGE 4 WEST, NMPM
Section 10: E/2
Section 11: All
Section 12: W/2
Section 14: All
Section 22: E/2
Section 23: All
Section 24: W/2
Section 27: N/2
Section 28: NE/4

(e) EXTEND the Angels Peak-Gallup Associated Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 10 WEST, NMPM
Section 4: NW/4
Section 5: N/2

(f) EXTEND the Big Gap-Organ Rock Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 19 WEST, NMPM
Section 29: S/2

(g) EXTEND the South Bisti-Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 10 WEST, NMPM
Section 31: E/2 SW/4

(h) EXTEND the Bisti-Lower Gallup Oil Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 25 NORTH, RANGE 12 WEST, NMPM
Section 25: SE/4
Section 36: N/2 NE/4

(i) EXTEND the Blanco-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 9 WEST, NMPM
Section 9: NE/4

(j) EXTEND the Blanco-Mesa Verde Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 11 WEST, NMPM
Section 17: E/2

(k) EXTEND the Blanco-Pictured Cliffs Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM
Section 20: SE/4
Section 29: NE/4

- (l) EXTEND the East Blanco-Pictured Cliffs Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 30 NORTH, RANGE 2 WEST, NMPM

Section 7: All

Section 18: All

TOWNSHIP 30 NORTH, RANGE 3 WEST, NMPM

Sections 7 through 32: All

TOWNSHIP 30 NORTH, RANGE 4 WEST, NMPM

Section 10: SE/4

Section 11: SW/4

Section 12: S/2

Section 13: All

Section 14: W/2

Section 15: E/2

Section 24: All

- (m) EXTEND the Escrito-Gallup Associated Pool in Rio Arriba and San Juan Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 36: NE/4

- (n) EXTEND the Gallegos-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 27 NORTH, RANGE 11 WEST, NMPM

Section 23: NW/4

- (o) EXTEND the Laguna Seca-Gallup Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 5 WEST, NMPM

Section 19: SE/4

Section 20: S/2

Section 21: S/2

Section 22: SW/4

Section 27: W/2

Sections 28 and 29: All

Section 30: NE/4

Section 32: NE/4

Section 33: NW/4

- (p) EXTEND the Largo-Gallup Gas Pool in Rio Arriba County, New Mexico, to include therein:

TOWNSHIP 26 NORTH, RANGE 7 WEST, NMPM

Section 2: W/2

- (q) EXTEND the Lybrook-Gallup Oil Pool in Rio Arriba, San Juan, and Sandoval Counties, New Mexico, to include therein:

TOWNSHIP 24 NORTH, RANGE 7 WEST, NMPM

Section 35: SE/4 SW/4

- (r) EXTEND the Sedro Canyon-Fruitland Pool in San Juan County, New Mexico, to include therein:

TOWNSHIP 31 NORTH, RANGE 9 WEST, NMPM

Section 23: SW/4